



INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

(Unaudited, expressed in Canadian Dollars)

**Notice to Readers of the Unaudited Interim Consolidated Financial Statements
For the three months ended September 30, 2009**

The unaudited interim consolidated financial statements of New Pacific Metals Corp. (the “Company”) for the three months ended September 30, 2009 (“Financial Statements”) have been prepared by management and have not been reviewed by the Company’s auditors. The Financial Statements should be read in conjunction with the Company’s audited financial statements for the year ended June 30, 2009 which are available at the SEDAR website at www.sedar.com. The Financial Statements are stated in terms of Canadian dollars, unless otherwise indicated, and are prepared in accordance with Canadian generally accepted accounting principles.

The accompanying notes form an integral part of these unaudited interim consolidated financial statements

NEW PACIFIC METALS CORP.
Consolidated Balance Sheets
(Unaudited, expressed in Canadian Dollars)

	Notes	September 30, 2009	June 30, 2009
ASSETS			
Current			
Cash and cash equivalents		\$ 1,275,072	\$ 758,917
Short term investments		9,599,000	10,599,000
Receivables and prepaid expenses		202,251	94,818
		11,076,323	11,452,735
Long term prepaids		55,320	55,320
Mineral property interests	3	3,938,987	3,567,876
Plant and equipment	4	302,423	300,886
		\$ 15,373,053	\$ 15,376,817
LIABILITIES			
Current			
Accounts payable and accrued liabilities		\$ 469,553	\$ 418,972
Deposits received	3	100,480	-
Due to related parties	6	146,706	30,288
		716,739	449,260
SHAREHOLDERS' EQUITY			
Share capital	5	16,649,163	16,623,663
Contributed surplus		12,994,516	12,640,292
Deficit		(14,987,365)	(14,336,398)
		14,656,314	14,927,557
		\$ 15,373,053	\$ 15,376,817

APPROVED BY THE DIRECTORS

(Signed) Lou Duarte

Director

(Signed) Rui Feng

Director

The accompanying notes form an integral part of these unaudited interim consolidated financial statements

NEW PACIFIC METALS CORP.
Consolidated Statements of Loss and Comprehensive Loss
(Unaudited, expressed in Canadian dollars)

	Notes	Three months ended September 30,	
		2009	2008
Expenses	6(a)		
Audit and accounting		\$ 15,000	\$ 28,000
Consulting		50,531	56,604
Depreciation		6,589	6,172
Filing and listing		2,372	1,956
Foreign exchange loss (gain)		28,725	(7,228)
General exploration		4,423	95,876
Investor relations		39,413	47,373
Legal and professional fees		1,387	2,521
Salaries and benefits		80,274	88,270
Office and administration		30,761	41,756
Rent		17,743	18,740
Stock-based compensation	5(b)	365,974	226,212
Travel and promotion		24,939	9,419
Loss before other income and expenses		668,131	615,671
Other income and expenses			
Loss on disposal of plant and equipment		(1,804)	-
Interest income		18,968	86,521
Other income		-	60,000
		17,164	146,521
Net loss and comprehensive loss for the period		\$ (650,967)	\$ (469,150)
Basic and diluted loss per share		\$ (0.02)	\$ (0.01)
Weighted average number of shares - basic and diluted		31,826,260	31,660,326

The accompanying notes form an integral part of these unaudited interim consolidated financial statements

NEW PACIFIC METALS CORP.
Consolidated Statements of Cash Flows
(Unaudited, expressed in Canadian dollars)

	Three months ended September 30,	
	2009	2008
Operating activities		
Net loss for the period	\$ (650,967)	\$ (469,150)
Add (deduct) items not affecting cash :		
Depreciation	6,589	6,172
Loss on disposal of plant, and equipment	1,804	-
Stock-based compensation	365,974	226,212
	(276,600)	(236,766)
Change in non-cash working capital		
Receivables and prepaid expenses	(114,025)	(77,573)
Accounts payable and accrued liabilities	(33,587)	(70,737)
Amount due to related parties	116,418	17,598
Cash used in operating activities	(307,794)	(367,478)
Investing activities		
Deposits received from customer	102,848	55,120
Expenditures for mineral property interests	(251,542)	(462,761)
Purchase of plant and equipment	(31,143)	-
Proceeds from disposal of plant and equipment	14,810	-
Redemption of short term investments	1,000,000	-
Repayment received from a related party	-	452,906
Cash provided by investing activities	834,973	45,265
Financing activity		
Shares issued for cash	13,750	11,760
Cash provided by financing activities	13,750	11,760
Effect of exchange rate changes on cash and cash equivalents	(24,774)	-
Increase (decrease) in cash and cash equivalents	516,155	(310,453)
Cash and cash equivalents, beginning of period	758,917	1,379,378
Cash and cash equivalents, end of period	\$ 1,275,072	\$ 1,068,925

The accompanying notes form an integral part of these unaudited interim consolidated financial statements

NEW PACIFIC METALS CORP.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Unaudited, expressed in Canadian dollars except for share figures)

	Share capital				Total Shareholders' Equity
	Number of shares	Amount	Contributed surplus	Deficit	
Balance, June 30, 2008	31,640,011	\$ 16,412,943	\$ 11,808,035	\$ (13,410,552)	\$ 14,810,426
Options exercised	186,000	210,720	(100,560)	-	110,160
Fractional rounding	(23)	-	-	-	-
Stock-based compensation	-	-	932,817	-	932,817
Net loss for the year	-	-	-	(925,846)	(925,846)
Balance, June 30, 2009	31,825,988	16,623,663	12,640,292	(14,336,398)	14,927,557
Options exercised	25,000	25,500	(11,750)	-	13,750
Stock-based compensation	-	-	365,974	-	365,974
Net loss for the period	-	-	-	(650,967)	(650,967)
Balance, September 30, 2009	31,850,988	\$ 16,649,163	\$ 12,994,516	\$ (14,987,365)	\$ 14,656,314

The accompanying notes form an integral part of these unaudited interim consolidated financial statements

NEW PACIFIC METALS CORP.

Notes to the Interim Consolidated Financial Statements

Three months ended September 30, 2009

(Unaudited - expressed in Canadian dollars, unless otherwise stated)

1. NATURE OF OPERATIONS

New Pacific Metals Corp., an exploration stage company, along with its subsidiary companies (collectively the “Company”), is engaged in the acquisition and exploration of mineral property interests in the People’s Republic of China (“China”).

The Company is in the process of exploring and developing its mineral property interests and has not yet determined whether its mineral property interests contain economically recoverable mineral reserves. The underlying value and the recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral property interests, and future profitable production or proceeds from the disposition of the mineral property interests.

These consolidated financial statements have been prepared using accounting principles applicable to a going concern. The Company has a history of losses and no operating revenue. As at September 30, 2009, the Company had working capital balance of \$10,359,584 and sufficient cash resources to meet the Company’s planned expenditures for the foreseeable future. These financial statements do not reflect adjustments, which could be material, to the carrying value of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation and Principles of Consolidation

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”), and follow the same accounting policies and methods set out in note 2 to the audited consolidated financial statements for the year ended June 30, 2009. However, they do not contain all disclosures required by Canadian GAAP for annual financial statements, and accordingly, they should be read in conjunction with the most recently prepared annual financial statements for the year ended June 30, 2009.

These consolidated financial statements include the accounts of its wholly-owned subsidiaries: New Pacific Offshore Inc.; SKN Nickel & Platinum Ltd. (“SNP”), Lachlan Gold Ltd., and Yunnan Jin Chang Jiang Mining Co. Ltd., and its 75% owned subsidiary, Sichuan Huaxi Mining Co. Ltd. (“Huaxi”).

These unaudited interim consolidated financial statements reflect, in the opinion of management, all adjustments necessary to present fairly the consolidated financial position as at September 30, 2009, and the consolidated statements of loss and cash flows for the three months period presented. Operating results of the interim period are not necessarily indicative of the result that may be expected for the full fiscal year ending June 30, 2010.

All significant inter-company transactions and accounts have been eliminated upon consolidation.

NEW PACIFIC METALS CORP.
Notes to the Interim Consolidated Financial Statements
Three months ended September 30, 2009
(Unaudited - expressed in Canadian dollars, unless otherwise stated)

(b) Adoption of New Accounting Standards

(i) Goodwill and Intangible Assets

In February 2008, the Canadian Institute of Chartered Accountants (“CICA”) issued Section 3064, “Goodwill and Intangible Assets”, which replaces Section 3062, “Goodwill and Other Intangible Assets” and Section 3450, “Research and Development Costs”. This new standard provides guidance on the recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the adoption of this standard, CICA Emerging Issues Committee Abstract 27 “Revenues and Expenditures in the Pre-operating Period” (“EIC-27”) was withdrawn.

The standard is effective for the Company’s fiscal year beginning July 1, 2009. Adoption of this standard did not have a significant effect on the unaudited consolidated financial statements.

(ii) Financial Instruments – Recognition and Measurement

On June 17, 2009, the Accounting Standards Board of Canada (“AcSB”) released Embedded Derivatives on Reclassification of Financial Assets, amending Section 3855, Financial Instruments – Recognition and Measurement. The amendment indicates that contracts with embedded derivatives cannot be reclassified out of the held for trading category if the embedded derivative cannot be fair valued. The standard is effective for reclassifications made on or after July 1, 2009. The adoption of this standard did not have a significant effect on the unaudited consolidated financial statements.

(c) New Canadian Accounting Pronouncements

(i) Convergence with IFRS

In February 2008, the Canadian Accounting Standards Board confirmed that publicly accountable enterprises will be required to adopt International Financial Reporting Standards (“IFRS”) for fiscal years beginning on or after January 1, 2011, with earlier adoption permitted. Accordingly, the Company plans to adopt IFRS for fiscal years beginning July 1, 2011.

The conversion to IFRS will impact the Company’s accounting policies, information technology and data systems, internal control over financial reporting, and disclosure controls and procedures. A diagnostic assessment of the Company’s current accounting policies, systems and processes to identify the differences between current Canadian GAAP and IFRS is in progress and the impact on our consolidated financial position and results of operations has not yet been determined. The Company intends to update the critical accounting policies and procedures to incorporate the changes required by a conversion to IFRS and the impact of these changes on its financial disclosures.

(ii) Business Combinations and Related Sections

In January 2009, the CICA issued Section 1582 “Business Combinations” to replace Section 1581 to harmonize the business combinations standard under Canadian GAAP with IFRS. The

NEW PACIFIC METALS CORP.

Notes to the Interim Consolidated Financial Statements

Three months ended September 30, 2009

(Unaudited - expressed in Canadian dollars, unless otherwise stated)

new standard revises guidance on the determination of the carrying amount of the assets acquired and liabilities assumed, goodwill and accounting for non-controlling interests at the time of a business combination.

The CICA concurrently issued Section 1601 “Consolidated Financial Statements” and Section 1602 “Non-controlling Interests”, which replace Section 1600 “Consolidated Financial Statements”. Section 1601 provides revised guidance on the preparation of consolidated financial statements and Section 1602 addresses accounting for non-controlling interests in consolidated financial statements subsequent to a business combination.

These sections will be applied to the Company’s financial statements for the fiscal year beginning July 1, 2011. The Company is currently assessing the impacts to its consolidated financial statements upon adoption of this new accounting guidance.

(iii) Financial Instruments - Disclosures

In June 2009, the AcSB amended Section 3862, Financial Instruments – Disclosures, to converge with Improving Disclosures about Financial Instruments (Amendments to IFRS 7). The amendments expand the disclosures required in respect of recognized fair value measurements and clarify existing principles for disclosures about the liquidity risk associated with financial instruments. This standard will be effective for the annual consolidated financial statements of the Company for the annual period ending June 30, 2010. It is not anticipated that the impacts of adopting this standard will be significant, as many of the expanded disclosure requirements are already provided as part of the Company’s existing financial instrument disclosures.

NEW PACIFIC METALS CORP.**Notes to the Interim Consolidated Financial Statements****Three months ended September 30, 2009****(Unaudited - expressed in Canadian dollars, unless otherwise stated)****3. MINERAL PROPERTY INTERESTS**

The continuity schedule of mineral property acquisition costs and deferred exploration and development costs is summarized as follows:

Expenditures	Huaiji		Sichuan		Total
Balance, June 30, 2008	\$	1,031,099	\$	-	\$ 1,031,099
Mineral property interest acquisition costs		-		3,731	3,731
Capitalized exploration and development costs					
Consulting		2,291		-	2,291
Drilling and assay		1,179,731		161,486	1,341,217
Geology		-		762	762
Geophysical and geochemical surveys		-		204,352	204,352
Site activities		144,276		7,527	151,803
Tunneling		831,581		(2,703)	828,878
Other		-		3,743	3,743
Balance, June 30, 2009		3,188,978		378,898	3,567,876
Capitalized exploration and development costs					
Drilling and assay		14,039		441	14,480
Geophysical and geochemical surveys		-		51,976	51,976
Site activities		43,820		-	43,820
Tunneling		260,835		-	260,835
Balance, September 30, 2009	\$	3,507,672	\$	431,315	\$ 3,938,987

During the three months ended September 30, 2009, the Company continued to pursue the opportunities to dispose the exploration permits of Kang Dian Project, which was suspended and written off during the year ended June 30, 2008. During the period, the Company entered into two agreements to transfer two permits to third parties for \$310,720 (CNY¥1,900,000) and received refundable deposit of \$100,480 (CNY¥640,000). The transfer is subject to Chinese regulatory approval.

4. PLANT AND EQUIPMENT

	September 30, 2009			June 30, 2009		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
Machinery	\$ 149,920	\$ 16,734	\$ 133,186	\$ 119,624	\$ 9,284	\$ 110,340
Motor vehicle	147,993	38,157	109,836	169,786	40,222	129,564
Office equipment and furniture	53,572	15,485	38,087	52,056	13,510	38,546
Computer software	33,319	12,005	21,314	33,319	10,883	22,436
	\$ 384,804	\$ 82,381	\$ 302,423	\$ 374,785	\$ 73,899	\$ 300,886

NEW PACIFIC METALS CORP.
Notes to the Interim Consolidated Financial Statements
Three months ended September 30, 2009
(Unaudited - expressed in Canadian dollars, unless otherwise stated)

5. SHAREHOLDERS' EQUITY

(a) Share Capital - authorized share capital

Unlimited number of common shares without par value
 Unlimited number of Class A preferred shares without par value

(b) Stock options

The continuity schedule of stock options, as at September 30, 2009, is as follows:

	Number of options		Weighted average exercise price
Balance, June 30, 2008	2,866,573	\$	1.10
Options granted	1,200,000		0.50
Options exercised	(186,000)		0.59
Options cancelled/forfeited	(93,858)		0.94
Options expired	(535,000)		0.60
Balance, June 30, 2009	3,251,715	\$	0.99
Options exercised	(25,000)		0.55
Options expired	(10,000)		0.60
Balance, September 30, 2009	3,216,715	\$	1.00

The fair value of these options granted was estimated using the Black-Scholes option pricing model with the following assumptions:

	Three months ended September 30,	
	2009	2008
Risk free interest rates	1.83%	4.00%
Expected lives of options	2.9 years	1.7 years
Expected volatilities	87%	152%
Dividend per share	\$Nil	\$Nil

No options have been granted to employees, directors and consultants during the three months ended September 30, 2009.

For the three months ended September 30, 2009, a total of \$365,974 (same period last year - \$226,212) has been recognized as stock-based compensation expense.

NEW PACIFIC METALS CORP.
Notes to the Interim Consolidated Financial Statements
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The following table summarizes information about stock options outstanding as at September 30, 2009:

Exercise prices	Number of options outstanding as at September 30, 2009	Weighted average remaining contractual life (years)	Weighted average exercise price	Number of options exercisable as at September 30, 2009	Weighted average exercise price
\$			\$		\$
0.55	400,000	0.01	0.55	400,000	0.55
0.56	380,000	1.43	0.56	380,000	0.56
0.88	24,143	1.91	0.88	24,143	0.88
1.25	287,000	2.17	1.25	246,000	1.25
1.55	450,000	2.79	1.55	321,431	1.55
1.55	82,572	3.33	1.55	34,573	1.55
1.85	200,000	3.48	1.85	85,714	1.85
3.05	200,000	3.61	3.05	85,714	3.05
0.50	1,193,000	4.30	0.50	477,200	0.50
	3,216,715	2.89	1.00	2,054,775	0.96

Subsequent to September 30, 2009, a total of 350,000 options with exercise price of \$0.55 expired unexercised.

Subsequent to September 30, 2009, a total of 54,000 options were exercised, and total proceeds of \$29,500 were received.

6. RELATED PARTY TRANSACTIONS

Related party transactions not disclosed elsewhere in the financial statements are as follows:

Transactions with related parties	Three months ended September 30,	
	2009	2008
Silvercorp Metals Inc. (a)	\$ 52,241	\$ 55,745
R. Feng Consulting Ltd. (b)	18,000	18,000
0799952 BC Ltd.(c)	31,500	31,500
	\$ 101,741	\$ 105,245

The transactions with related parties during the period were measured at the exchange amount, which is the amount of consideration established and agreed by the parties.

NEW PACIFIC METALS CORP.
Notes to the Interim Consolidated Financial Statements
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(Unaudited - expressed in Canadian dollars, unless otherwise stated)

As at September 30, 2009, the balances with related parties, which are unsecured, non-interest bearing, and due on demand, are as follows:

Amount due to related parties	September 30, 2009		June 30, 2009
Silvercorp Metals Inc. (a)	\$	128,706	\$ 30,288
R. Feng Consulting Ltd. (b)		18,000	-
	\$	146,706	\$ 30,288

- (a) Silvercorp Metals Inc. (“SVM”) has a director and an officer in common with the Company and shares office space and provides various general and administrative services to the Company. During the three months ended September 30, 2009, the Company recorded total expenses of \$52,241 (same period last year - \$55,745) for services rendered and expenses incurred by SVM on behalf of NUX.
- (b) During the three months ended September 30, 2009, the Company incurred \$18,000 (same period last year - \$18,000) consulting fees for consulting services rendered by R. Feng Consulting Ltd., a company controlled by a director of the Company.
- (c) During the three months ended September 30, 2009, the Company paid \$31,500 (same period last year - \$31,500) to 0799952 BC Ltd., a company controlled by a director and an officer of the Company, for consulting services.

7. FINANCIAL INSTRUMENTS

The Company manages its exposure to financial risks, including liquidity risk, foreign exchange rate risk, interest rate risk, and credit risk in accordance with its risk management framework. The Company’s Board of Directors has overall responsibility for the establishment and oversight of the Company’s risk management framework and reviews the Company’s policies on an ongoing basis.

(a) Fair value

The fair value of financial instruments represents the amounts that would have been received from or paid to counterparties to settle these instruments. The carrying amount of all financial instruments classified as current approximates their fair value because they are short term in nature.

(b) Liquidity risk

The liquidity risk is the risk that the Company will not be able to meet the obligations associated with its financial liabilities. The Company’s financial liabilities mainly include accounts payable and accrued liabilities, deposits received, and due to related parties, and are current in nature. As of September 30, 2009, the Company has sufficient funds to meet its short term financial liabilities.

(c) Exchange risk

The Company undertakes transactions denominated in foreign currencies and as such is exposed to risks due to fluctuations in foreign exchange rates.

NEW PACIFIC METALS CORP.**Notes to the Interim Consolidated Financial Statements****Three months ended September 30, 2009****(Unaudited - expressed in Canadian dollars, unless otherwise stated)**

The Company conducts certain of its operations in China and thereby a portion of the Company's assets, liabilities, revenues and expenses are denominated in Chinese Yuan ("CNY"), which was tied to the U.S. Dollar until July 2005 and is now tied to a basket of currencies of China's largest trading partners. The Chinese Yuan is not a freely convertible currency.

The Company doesn't hedge its foreign currency risk, and the exposure of the Company's financial assets and financial liabilities to foreign exchange risk is summarized as follows:

The amounts are expressed in CAD equivalents	September 30, 2009		June 30, 2009
Canadian Dollar	\$	10,284,781	\$ 10,922,538
United States Dollar		286,568	209,595
Chinese Yuan		478,240	301,024
Total financial assets	\$	11,049,589	\$ 11,433,157
Canadian Dollar	\$	277,884	\$ 103,792
Chinese Yuan		438,855	345,468
Total financial liabilities	\$	716,739	\$ 449,260

As at September 30, 2009, with other variables unchanged, a 5% strengthening (weakening) of the Chinese Yuan against the Canadian dollar would have decreased (increased) net loss by approximately \$1,969.

As at September 30, 2009, with other variables unchanged, a 5% strengthening (weakening) of the U.S. Dollar against the Canadian dollar would have decreased (increased) net loss by approximately \$14,328.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's cash equivalents and short term investments primarily include highly liquid investments that earn interest at market rates that are fixed to maturity. The Company also holds a portion of cash and cash equivalents in bank accounts that earn variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have significant impact on the fair values of the financial instruments as of September 30, 2009.

(e) Credit risk

The Company is exposed to credit risk primarily associated with cash and cash equivalents, short term investments, and interest receivable from financial institutions, and other receivables from various customers. The carrying amount of assets included on the balance sheet represents the maximum credit exposure.

None of the cash and cash equivalents were invested in asset backed commercial paper. The Company has deposits of cash equivalents that meet minimum requirements for quality and

NEW PACIFIC METALS CORP.
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liquidity as stipulated by the Company's Board of Directors. Management believes the risk of loss to be remote.

8. CAPITAL DISCLOSURE

The Company's objectives of capital management are to maintain the entity's ability to support the Company's normal operating requirement on an ongoing basis, and to continue the exploration and development of its mineral properties.

The capital of the Company consists of the items included in shareholders' equity. The Board of Directors does not establish a quantitative return on capital criteria for management. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

The management of the Company believes that the capital resources of the Company as at September 30, 2009 are sufficient for its present needs for the next 12 months.

The Company's overall strategy with respect to capital risk management remained unchanged during the period. The Company is not subject to any external imposed capital requirement as at September 30, 2009.

9. SEGMENTED INFORMATION

(a) Industry Information

The Company operates in one reportable operating segment, being the acquisition, exploration and development of mineral property interests.

(b) Geographic Information

(i) Summary of certain long-term assets of each geographic segment:

	China	Canada	Total
As at September 30, 2009			
Mineral property interests	\$ 3,938,987	\$ -	\$ 3,938,987
Plant and equipment	281,216	21,207	302,423
As at June 30, 2009			
Mineral property interests	\$ 3,567,876	\$ -	\$ 3,567,876
Plant and equipment	278,562	22,324	300,886

NEW PACIFIC METALS CORP.
Notes to the Interim Consolidated Financial Statements
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(Unaudited - expressed in Canadian dollars, unless otherwise stated)

(ii) Summary of operating results of each geographic segment.

	China	Canada	Total
Three months ended September 30, 2009			
Expenses	\$ (83,218)	\$ (584,913)	\$ (668,131)
Other income and expenses	(1,334)	18,498	17,164
Three months ended September 30, 2008			
Expenses	\$ (140,366)	\$ (475,305)	\$ (615,671)
Other income and expenses	113	146,408	146,521